Automotive News

May 6, 1991

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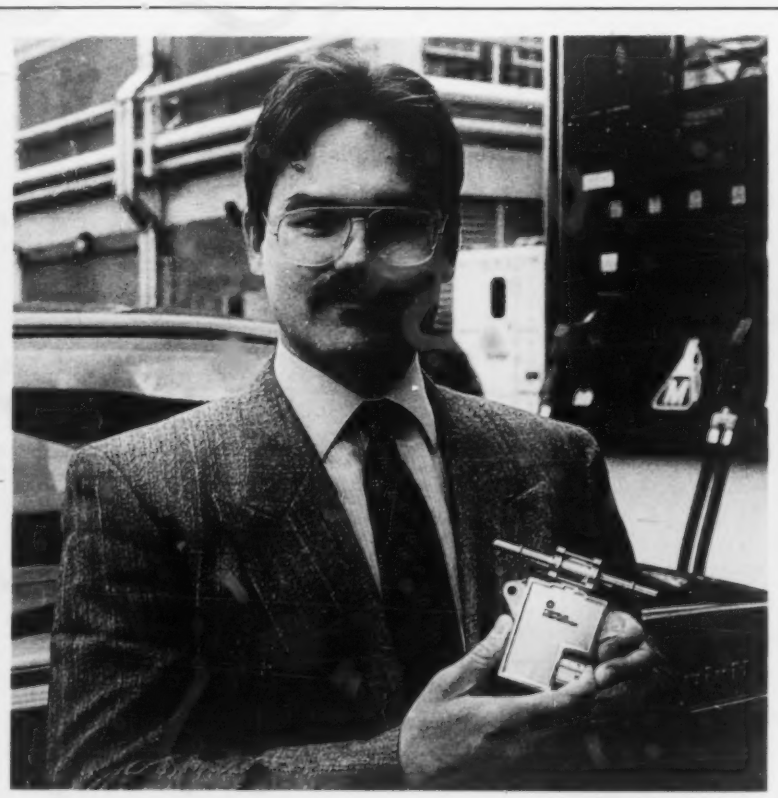


AUTOMOTIVE NEWS/JOE WILSSENS

Flexible-fuel Chryslers

John Kopera, 22, a Chrysler engineer, shows the electronic sensor he helped develop that will allow production of flexible-fuel vehicles in two years. Story on Page 43.

Big 3 face yearly loss after $1.9 billion deficit in 1st quarter

By Mary Connelly, Kathy Jackson and Edward Lapham
AUTOMOTIVE NEWS STAFF

The Big 3 automakers may have seen the bottom of the trough, but it will be a long, slow climb to profitability that could see them lose a combined $3 billion this year despite an expected second-half upturn.

General Motors, Ford Motor Co., Chrysler Corp. and the Wall Street analysts who watch them foresee gradual improvement in the dismal U.S. car market this year, and they forecast some profits by the third or fourth quarter.

Detroit trip stirs Congress, Page 42

But the combined first-quarter net loss of $1.9 billion was so bad that analysts scrambled for their computers to reduce 1991 earnings estimates.

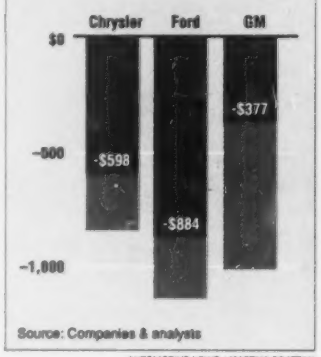
The combined net loss was actually less than the operating loss because accounting changes and the sale of a GM building pulled about $500 million from the operating loss of $2.4 billion.

Stephen Girsky, auto analyst with PaineWebber Inc., said his firm doubled the year's loss estimate for Chrysler to $700 million, more than doubled the estimate for Ford to nearly $1 billion and increased GM's

see EARNINGS, page 42

Net earnings, 1st half

Chart shows actual net earnings for 1st quarter and analysts' estimates for 2nd quarter, in millions of dollars.



AUTOMOTIVE NEWS / MARTHA GRATTAN

Manhattan store folds, a rare Penske failure

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Roger Penske's closing of his Manhattan dealership has provided a high-profile example of how difficult it is for dealers to survive in high-cost urban markets.

Until he shut the doors of his Cadillac-Buick-Chevrolet showroom last week, the entrepreneur had a record of turning every automotive venture into gold.

"Nobody likes to admit they lost," Penske said Wednesday, his last day of selling cars. "But you try to be a good loser and go on."

Penske said he was done in by high costs and low sales in the gloom-and-doom economy of the Northeast. When he bought the dealership — on the eve of the October 1987 stock market crash — he looked forward to selling 10,000 Buicks, Chevrolets and Cadillacs annually. But sales barely topped 2,000 a year.

"We are one of many who have decided opportunities on the East Coast are limited, especially Manhattan," Penske said.

He said that the Penske Auto Center, which added Buick and

see PENSKE, page 44

DOUG GOODMAN

Penske hoped to sell 10,000 Buicks, Cadillacs and Chevrolets annually at the Manhattan store, but sales barely topped 2,000 a year.

EC limit on Japanese includes transplants

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, Germany — In a surprisingly tough stance that seems likely to be rejected by Japan, the European Commission late last week set out a Japanese auto-trade strategy that would include transplant production as part of a gradually rising import ceiling through 1998.

The net effect of the strategy, which now must be hammered out between the EC and Japan, would be to largely nullify any advantage for Japanese carmakers of producing in Europe, since they could meet the new ceilings by either importing or transplant production.

The Commission will present its position to the Japanese later this month and hopes to conclude an agreement by July. Japanese agreement is necessary because Europeans sell cars and other goods in Japan and because basic trade law among most nations is already set by the General Agreement on Trade and Tariffs.

"We can't accept this," said Moriharu Shizume, head of the Paris office of the Japan Automobile Manufacturers Association.

"That is not fair. They set up local content rules — 60 percent, 70 percent, then 80 percent. Now that we've got almost 80 percent, they still don't accept it," he said.

Although it has called for export "restraint" by Japanese carmakers, Japan's Ministry of International Trade and Industry is known to oppose both the idea of fixed quotas and the inclusion of transplant production in any ceilings.

"I can't see Japan agreeing to this," said Sanjay Dabysing, automotive group director for DRI Eu-

see EC LIMIT, page 43

Plan highlights

The European Commission plan would:

- End formal quotas on Japanese imports in several countries.
- Raise Japan's total market share in the European Community to about 17 percent by 1998 from about 11 percent now.
- Count transplant production as imports.
- Open the market completely on Jan. 1, 1999.

GM delays output of natural-gas pickups

By Joseph Bohn
TRUCK EDITOR

The General Motors plan to produce 1,000 natural-gas-powered pickups has been delayed until at least late 1991.

Chrysler advances 2-stroke, Page 2

GM last week blamed the delay on an inadequate supply of reliable, quality components.

Output had been scheduled to begin this spring.

Meanwhile, Chrysler Corp. and the Gas Research Institute have launched an $850,000 project to build and test full-sized vans powered by natural gas. The project will determine the technical and commercial feasibility of introducing such vans in the 1994 model year.

Natural gas is considered a cleaner fuel than gasoline, and vehicles powered by natural gas could help meet clean-air requirements in California and the nation later in the decade.

Richard Geiss, Chrysler executive engineer for engine systems, said early models will cost about $4,000 more than their gasoline-engine counterparts.

As Chrysler proceeds, the difference is expected to drop to about $2,000, which is basically the cost of special fuel tanks.

see GAS, page 43

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Volvo, Mitsubishi plan venture:
Volvo and Mitsubishi have tentatively agreed to share output from a Volvo plant in the Netherlands. Story on Page 2.

Mitsubishi, Volvo plan Europe venture

By Richard Johnson
and Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTERS

In one more example of the increasing globalization of the world auto industry, Sweden's Volvo Car Corp. and Japan's Mitsubishi Motors Corp. announced Friday that they have tentatively agreed to jointly produce passenger cars at a Dutch government-controlled Volvo plant in the Netherlands.

Mitsubishi already has equity and production agreements with Chrysler Corp. and Korea's Hyundai Motor Corp., and a sales accord with Germany's Daimler-Benz Group. If finalized, the deal also would make Mitsubishi a distant cousin of France's Renault Group, an equity investor in Volvo and a strong opponent of increased Japanese market share in Europe.

"We aimed to be welcome in Europe and have formed a tieup with Volvo from that point of view," said Mitsubishi Chairman Toyoo Tate at a news conference in Tokyo.

Noting that Mitsubishi exports 240,000 cars a year to Europe now, Tate said the Volvo alliance was a "practical decision" that recognized the need to build sales there.

"To reach a larger volume, it is necessary to have a local partner" in Europe, he said.

Under terms of a letter of intent announced jointly in The Hague and Tokyo, the three parties agreed to divide ownership of a restructured Volvo Car BV *equally among them.* The Dutch carmaker is now 70 percent government-owned and 30 percent held by the Swedish company.

In addition, the letter of intent enables the government to sell its remaining shares to Mitsubishi and Volvo equally at a

see ALLIANCE, page 45

Chrysler two-stroke linkup forged to hit market first

By Mary Connelly and Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTERS

HIGHLAND PARK, Mich. — Chrysler Corp. plans to announce this week a technological joint venture that will accelerate its plans to produce a two-stroke engine for passenger vehicles to the middle of the 1990s.

Chrysler two-stroke experts, including Francois J. Castaing, vice president for vehicle engineering, have claimed their design will speed to market faster than the Orbital Engine Co. design licensed by competitors such as Ford Motor Co. and General Motors.

Despite the greater mechanical complexity of the Chrysler design, Chrysler engineers believe they will achieve an earlier introduction because their design is more like the familiar four-stroke engine in its backbone architecture. They are working on both three- and six-cylinder versions.

Castaing aims for early debut.

Chrysler made several technical announcements last week on the heels of the visit by more than 40 members of Congress to the Big 3's operations and the announcement of Chrysler's $598 million-dollar loss for the first quarter.

Chrysler, Ford and GM have

see CHRYSLER, page 41

Nissan trims factory pipeline with new dealer delivery plan

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Nissan Motor Co. will unveil a new vehicle delivery system in the United States this month designed to bring a rapid turnaround on factory orders and smaller dealer inventories.

The new program, to be phased in over the next 18 months, will reduce Nissan's current four-month factory-to-dealer lag time to as low as one month, system designers say.

That will allow Nissan's 1,113 U.S. dealers to order and receive cars from its U.S. and Japanese factories as fast as some domestic makers can now respond to orders.

It also will mean greater flexibility in allowing dealers to change their orders days before a scheduled delivery. That will translate into lower inventories at dealerships, lower floorplan costs and potentially higher profits, says Robert Thomas, Nissan Division general manager and vice president of Nissan Motor Corp. in U.S.A.

More important, he says, Nissan's new system will help end the factory's practice of allocating unwanted or undesirable models to dealers, a common practice he blames on poor coordination between dealers and factory.

"We will be able to react to local and regional buying changes much faster under the new system and translate them into product almost immediately," Thomas says.

"Our allocation systems have always been based on looking at historical data rather than current information. That's like driving by looking in the rear-view mirror. If we wait until we have historical data, it's three to six months before the information gets through the factory and back to the dealer. That's potentially a loss of nine months of production time."

The plans come as automakers on both sides of the Pacific are working toward shorter factory lead times in a quest for "real-time production." Toyota Motor Corp.

> "Our allocation systems have always been based on looking at historical data. . . . That's like driving by looking in the rear-view mirror."
>
> **Robert Thomas**

has been working on a similar concept for the past two years. General Motors' Saturn Corp. boasts one of the industry's fastest systems, with only a two-and-a-half-week gap between dealers' factory orders and customer deliveries.

Nissan's system, called the "market-driven allocation on production systems," or MAPS, will link factories, dealers, component manufacturers and transportation companies in the United States, Japan, Canada and Mexico. Dealer orders will be transmitted to the factory three times a month instead of once, and the factories will have increased flexibility to implement requests for last-minute customer changes in paint color, interior trim and powertrain options.

The company believes that faster deliveries will mean more agile responses to changing buyer habits, and also will reduce vehicle inventories throughout the system. Nissan currently considers a 60-day inventory of finished vehicles ideal. Under MAPS, company inventory will shrink to 30 to 45 days, Thomas said. Some vehicles, like the U.S.-made Sentra, could shrink to an eight-to-10-day inventory.

The program has been under development for more than two years and will require a number of changes for the automaker. It will mean altering Nissan's North American vehicle delivery system, securing faster trans-Pacific shipment of its import of cars and parts from Japan, possibly discontinuing its East Coast port activity, and developing a complex radio-transmitter system to track each vehicle through its factory.

Nissan declines to say how much MAPS will cost. Thomas says the changes can be implemented on dealers' existing computers.

The moves should cut the typical four-month lag on shipments from Japan in half and should cut the time on deliveries from Nissan's U.S. factory from about 90 days currently to less than 20 days.

Nissan began introducing the program last month to some dealers. Its first phase is limited to giving dealers more input into the existing allocation system and will initially focus on color selection.

The current system "is not very competitive right now," Thomas says. "Our dealers don't even think in terms of getting a car from the factory. They think of getting it from the port — and only if they know it's there.

"The first phase," he adds, "will still deal with the cars that are sitting at the port, but it will give dealers more control over what they get."

MAPS is initially aimed at the U.S. market, where Big 3 systems hold an advantage over Japanese importers and their transplants, which still depend heavily on imported parts that take months to arrive from Japan.

GM dealers can generally expect a factory to turn around an order in six to eight weeks. Nissan dealers could wait four months for a special-order car from Japan.

The program also has calculated methods of halving the time required to move cars and parts across the Pacific from Japan.

Most U.S. Nissans will be U.S. built by '94

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

By 1994, Nissan Motor Corp. plans to build in U.S. plants between 50 and 65 percent of all the cars and trucks it sells here.

Production plans for the 1994 fiscal year call for building up to 473,000 cars and light pickups at its manufacturing plant in Smyrna, Tenn., and obtaining about 50,000 minivans from a venture with Ford Motor Co. in Avon Lake, Ohio.

Nissan's U.S. sales arm forecasts sales of between 750,000 and 800,000 cars and trucks by the mid-1990s. Last year, the company sold 591,145 units.

"Smyrna will be a very big part of our business," said Robert Thomas, Nissan Division general manager and vice president of Nissan Motor Corp. in U.S.A.

"Depending on our volume, it could provide between 50 and 65 percent of all of our sales," he said. "If you throw Avon Lake into the equation, you could easily get up to 65 percent of our total volume."

Nissan obtained only 20 percent of its U.S. sales from the Smyrna plant in 1988. This year, it will build about 40 percent of the vehicles it sells in the United States.

According to a planning schedule obtained by *Automotive News*, Smyrna is scheduled to build 264,500 vehicles in Nissan's current fiscal year, which ends on March 31, 1992. That volume will be split between 132,600 Sentras and 131,900 small pickups, according to internal projections.

Last year, the plant received environmental regulators' approval to expand output by about 20,000 units a year in anticipation of increased demand for the newly redesigned Sentra.

In fiscal 1992, the plant will begin producing a new model, expected to be a replacement for the Stanza sedan, code-named IV. The company plans to build 90,000 units through March 31, 1993, the schedule says. Total Smyrna production is scheduled to be 372,000 units for the year.

The Smyrna factory is designed to shift capacity as needed among the Sentra, pickup and IV.

In fiscal year 1994, IV production is scheduled to hit 200,000 units, boosting Smyrna output to as many as 473,000 vehicles, the internal projections indicate.

Ford's Avon Lake plant is scheduled to build 120,000 minivans during Nissan's fiscal 1993 and 135,000 in 1994. Ford is expected to receive 85,000 of those units annually and Nissan is scheduled to take 50,000.

NISSAN PLANNING VOLUMES

Table shows preliminary planning volumes for Nissan's plant at Smyrna, Tenn., and Ford's plant at Avon Lake, Ohio.

	12 months ending March 31		
Vehicle	1992	1993	1994
Sentra	132,600	152,000-172,000	152,000-172,000
Pickups	131,900	110,000-130,000	110,000-130,000
New Stanza	0	90,000	160,000-199,500
SMYRNA TOTAL	264,000	372,000	453,000-473,000
Villager-Quest minivan (Avon Lake, Ohio)	0	125,000	135,000

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Corrections

- A photo caption in the April 29 issue used the wrong last name of Dick Warden, legislative director of the UAW.
- A photo caption on Page 10 of this issue misspells the last name of Hans Halbach, vice president of international sales and marketing of Saab Automobile AB.

Parts operation seminars a casualty of Ford cost cutting

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Services to dealers are among the items being squeezed as Ford Motor Co. strives to cut salaried costs 10 percent by the end of the year.

In an announcement to its Ford and Lincoln-Mercury dealers last month, Ford said its Parts Managers' Operations Seminars would be suspended this year due to "the severe downturn in the automotive sector of the economy."

Dick Hosteller, parts director for Jordan Motors Inc. (Ford-Lincoln-Mercury-Toyota-Volvo-Nissan) in Mishawaka, Ind., said the cancellation of the seminars may not hurt veteran parts managers but are crucial to the neophytes. "Parts managers can make or break a dealership," Hosteller said.

Instruction at the one-day seminars includes how to timely order parts, various factory discounts and basic accounting.

Hosteller said the parts division of a dealership can account for 10 to 70 percent of a dealer's profits. He said a knowledgeable parts manager is a must.

"He is the one that has to delegate his time and knowledge to take care of the dealer's inventory investment," Hosteller said.

Among the common mistakes made by uninformed parts managers, Hosteller said, are ordering too many or obsolete parts; paying too much; ordering late and causing a delay in needed parts; or not knowing how to claim for shortages or damaged parts.

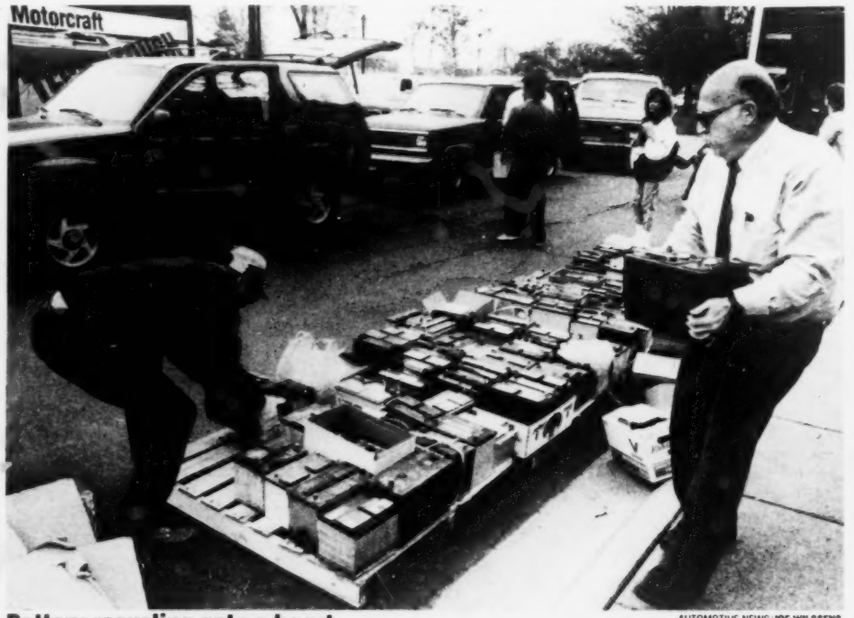
> "Parts managers can make or break a dealership."
>
> **Dick Hosteller**
> Jordan Motors Inc.

Hosteller said if a parts manager does not know how to properly order parts, "he can literally stifle a dealer's cash flow."

The seminars train about 500 parts managers annually, said Ford spokesman Mike Moran. He said the program is about five years old.

He said the seminars are being bumped this year due to costs and because of some significant policy changes in parts ordering that will occur this year. Moran said the company hopes to reinstitute the seminars next year.

Moran would not say how much money Ford spends on the program; Hosteller said a conservative estimate would be about $200 a person.



AUTOMOTIVE NEWS/JOE WILSSENS

Battery recycling gets a boost

To commemorate Earth Day 1991, Ford Motor Co.'s Parts and Service Division sponsored the collection of used car batteries in 26 cities around the country. Spokesman Mike Moran said Motorcraft Service Battery distributors took in about 1,500 batteries during the day-long event April 19, with donors receiving discount coupons for new batteries. About 90 percent of the collected batteries are recyclable.

Maserati improves system to get parts for dealers

By Dale Jewett
SERVICE EDITOR

Because it isn't selling many cars these days — an estimated 20 a month for the first quarter of this year — Maserati is placing more emphasis on parts.

Maserati Automobiles Inc., the Baltimore-based importer for North America, is touting the opening of a new parts operation at company headquarters in Modena, Italy.

Garbutt: Shamal due next year

The 40,000-square-foot facility has cut the turnaround time for parts ordered from the United States from weeks to several days in some cases, said George Garbutt, Maserati Automobiles executive vice president.

The operation, which opened last November, replaced the parts setup in the Maserati factory.

"It was in an antiquated wing of the factory, even down to the wooden bins," Garbutt said. "Anybody could send orders for parts, but getting them packed and shipped was taking a lot of time."

All parts orders for North America now go through the Baltimore office. Maserati Automobiles has a parts inventory of about $3 million, mostly "fast-moving" routine service parts such as hoses and gaskets, Garbutt said. But it also stocks parts for Maserati cars as old as 1950s models.

There are 38 full-service Maserati dealerships in North America, of which only two are stand-alone outlets, Garbutt said. The importer also has appointed 13 service centers in areas where there are no Maserati dealers.

With Maserati sales at a mere trickle, Garbutt acknowledges that parts sales are becoming for important for the company's dealers.

Maserati's U.S. sales peaked in 1984 at 2,023 units, but plunged to 733 in 1988 and totaled only 240 last year, according to *Automotive News* estimates. The current model lineup includes the two-seat Spyder convertible, the 430 four-door sedan and the 228 coupe.

"Sales are slow because of the reputation of the early Biturbos," Garbutt said. "The vehicles we're selling now are a thousand times better.

"As our sales diminish, parts are becoming more important to the dealers," he said.

Maserati has also been trying to shift from the $30,000 to $50,000 price bracket to the luxury exotic sports-car niche, a move that will be spearheaded by the new Shamal sport coupe.

But deliveries of the Shamal to the United States won't begin until early next year, Garbutt said. The Shamal will replace the 228 and sell for an estimated $85,000.

SERVICE BRIEFS

Chrysler adds parts office

HIGHLAND PARK, Mich. — Chrysler Corp. will open a new parts distribution facility in Atlanta early next year and has purchased a 25,000-square-foot warehouse and office building to house the operation. Terms of the purchase were not disclosed.

The center will serve about 450 dealers in eight states that are currently served by other distribution centers, said Steven A. Torok, general manager of Mopar Parts, Chrysler Service and Parts Operations. It will be Chrysler's 19th parts distribution center in the United States.

The center will stock about 75,000 parts and will be equipped with wire-guided stackers, an automatic storage and retrieval system, wire-guided vehicles and personal-computer-driven carousels for fast-moving parts. Most workers for the warehouse will be transferred from other parts distribution centers.

Hyundai taps Key dealers

FOUNTAIN VALLEY, Calif. — Hyundai Motor America has named nine of its 431 dealerships to its Key Dealer program.

The company said the program is intended to increase communication between the dealer and the company's technical personnel to find production, durability and reliability concerns.

Incentives include participation in quarterly product quality meetings; a meeting at the Bromont, Quebec, assembly plant at the start of the model year, and awards for performance.

The dealerships, and areas of focus, are: Fairfax Hyundai in Fairfax, Va., heavy traffic; Carlisle Hyundai in Pinellas, Fla., hot/humid temperature/dry; Cormier Hyundai in Long Beach, Calif., dry temperature/heavy traffic; Lou Grubb Hyundai in Glendale, Ariz., hot/dry; South Center Hyundai in Tukwila, Wash., temperate/wet; Liberty Hyundai in Colorado Springs, Colo., cold/dry/high altitude; Grand Hyundai in Elmhurst, Ill., cold/wet; Mills Hyundai in Madison, Wis., cold; North Park Hyundai in North Park, Texas, hot/humid/open roads.

Students test skills

LEESBURG, Va. — More than 80 vocational students in automotive service programs will be in Louisville, Ky., June 27 for the Vocational Industrial Clubs of America United States Skill Olympics.

The students will compete in a timed automotive service technology contest. The three top high school and post-secondary finishers in each of 54 competitions will receive medallions. Many will receive tools, textbooks, scholarships or special training programs donated by contest sponsors.

Dana program turns 50

TOLEDO, Ohio — Dana Corp. is celebrating the 50th anniversary of its Doctor of Motors program, which trains technicians to work on chassis, engine and hydraulic systems.

The program was introduced in 1941 by Perfect Circle Piston Rings. Participants work with service manuals and videotapes. After completing each segment they must take a written test on the system covered.

Appraisers offer guide

DALLAS — The Independent Automotive Damage Appraisers Association is offering its 1991 Service Directory.

The free booklet lists more than 250 association-affiliated service locations, including key people, service area and types of appraisals. For a copy call (800) 369-4232.

Service business rises in March

Buoyed by an increase in sales of parts and accessories, parts and service business at new-car dealerships in March rose from the same month last year.

Shop business for the month was 107 percent of the amount reported in March 1990, as measured by the Automotive News Service Index. Last year's figure was 106.2 percent of that in March 1989.

For the first quarter of this year, parts and service business was 102 percent of that tallied for the January-March period in 1990.

Parts and accessories was the only one of five indicators to show an increase in the month-to-month comparison.

Of the respondents who reported a rise in service volume, some attributed the gain to increased advertising and promotion.

But several respondents cited the economic recession as a continuing cause of a decline in business.

SERVICE INDEX
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	Mar., '91 vs. Mar., '90	Jan.-Mar., '91 vs. Jan.-Mar., '90
Gross Profit on All Labor and P&A Sales	– 3.9%	+ 0.5%
Repair Orders Written	– 4.0%	+ 0.7%
Total Labor Sales (Customer & Warranty)	– 1.7%	+ 2.4%
Shop Parts Sales (Customer & Warranty)	– 3.8%	+ 3.3%
Sales of All P&A	+18.6%	+ 2.6%

* Survey by Automotive News shows that dealers' service and parts business in March 1991 was 107 percent of business in March 1990. Service business in the first three months of 1991 was 102 percent of business in the corresponding period in 1990.

Figures used in the Service Index are compiled from monthly reports on service and parts business from a cross-section of the nation's new-car dealers.

Mich. trip stirs Congress to action

Delegation seeks White House help for ailing auto industry

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — President Bush said no when the bosses of the Big 3 asked in March for trade restraints against the Japanese, but now 40 Congressmen and women are knocking at his door seeking help for Detroit.

Admitting that their request is as unusual as their two-day trip to Detroit a week earlier, the 40-member Congressional delegation has asked for a meeting with Bush. They want to talk about ways to help the Big 3.

Some representatives have already promised help in Congress, and there are signs that the administration may loosen some regulations that bother the auto industry.

Last week, several of the House of Representatives members who went to Detroit on April 25-26 made eloquent speeches on the House floor and promised regulatory or legislative assistance.

Rep. Peter Kostmayer, D-Pa., told the House it was time for a new sensitivity toward the auto industry. "It's time we find ways of helping them while making sure that America's automobiles are the cleanest, the safest, and the most efficient in the world."

Rep. Marcy Kaptur, D-Ohio, trip organizer, said she would advocate stricter enforcement of tax laws and trade laws "to encourage sales and purchase of parts by transplants and nations like Japan."

Rep. John Dingell, D-Mich., is expected to question Trade Rep. Carla Hills on allegations of dumping — the deliberate underpricing of vehicles by the Japanese auto industry — when she appears later this month before one of the subcommittees he chairs.

> "It's time we find ways of helping them while making sure that America's automobiles are the cleanest, the safest and the most efficient in the world."
>
> **Rep. Peter Kostmayer**
> Democrat, Pa.

Other responses to the Detroit visit included a fiery speech accusing Japan of trying to bankrupt U.S. industry from Rep. Helen Bentley, R-Md., and a careful statement from Rep. Norman Lent, R-N.Y., that Congress now understands the debate on the corporate average fuel economy better and is "more aware you can't simply wave a magic wand like the Bryan bill and not have repercussions adverse to the automobile industry."

In the May 2 letter to Bush, delegation members said the industry's quality is improved but first quarter losses (of $1.9 billion) show a dangerous trend. "Washington can't solve Detroit's problems — and Detroit isn't asking us to — but we can be a more effective partner in addressing the challenges it is facing," said the letter.

"We would also like to discuss ways in which both ends of Pennsylvania Avenue can work together to help this industry get moving again by strengthening its position in the global economy."

The Bush administration rebuffed a request by the Big 3 in March to cut 1991 Japanese vehicle imports by 500,000 units. But the administration did not reject the industry's cry for relief from regulation. Signals came from Bush and top cabinet members last week that the industry may indeed get relief from regulations and the new Clean Air Act.

In a speech before financial writers, Bush said he is troubled by the growing thickness of the Federal Register, where new regulations are published daily.

"Some of these regulations are needed and some are not, and we want to free our people of unnecessary regulation," Bush said.

The Council of Competitiveness, headed by Vice President Dan Quayle, "will look carefully at everything" including new clean air regulations to see if their benefits outweigh their burdens on the economy, Bush said.

Edsel Ford II: "Dealers know that if they ask a question, I'll get them the answer."

AUTOMOTIVE NEWS/JOE WILSSENS

Edsel Ford settles into new job

'I will work well with dealers,' Ford Credit president says

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

SOUTHFIELD, Mich. — He says his new office is smaller than the one he had at company headquarters in Dearborn, Mich., but it has a view — overlooking a parking lot and a busy freeway 20 miles north of downtown Detroit — that Edsel Ford II jokingly says he likes.

"I love cars so the view is great," says Ford, 42, new president of Ford Motor Credit Co. He assumed his new post May 1.

He will manage a staff of 10,000 and a Ford subsidiary that earned $237 million in the first quarter of this year, the best performer in the company's stable at the moment.

Ford, who has worked in a variety of positions since he joined the company in 1974, admits that he has no financial expertise. He said he brings "great human resource skills" and a knowledge of the dealers to the subsidiary.

"I will work well with the dealers," Ford said. "They've come to understand that if they ask a question, I'll get them the answer."

For the first quarter, Ford Motor Credit provided floorplanning for 73 percent of Ford Motor Co.'s wholesale factory sales of cars and trucks to dealers and 32 percent of the retail sales to consumers, up from 29 percent a year ago.

The earnings were up 105 percent from the year-ago period and represented 87 percent of the $271 million Ford's Financial Services Group earned.

William Odom, chairman of Ford Credit, attributed part of the strong first-quarter earnings to $1.5 billion in sales of securitized retail car loans.

He also said Ford Credit's cost to borrow money was 8.4 percent, compared to 8.9 percent last year. "The financial services businesses typically are counter-cyclical" to the auto industry, Odom said. He explained that generally during a recession, interest rates come down for finance institutions, making their margins greater. He said that during boom times, Ford Credit's margins usually are slimmer.

Odom says his goal is to shorten the length of car loans to a maximum 54 months. He says a five-year loan, which the company offers now, is too long.

"Everything we do is designed to bring that customer back to that dealer to buy another Ford or Lincoln-Mercury product," as soon as possible, Odom said.

1st QUARTER RESULTS

(figures in millions of dollars)

	GM		Ford		Chrysler	
	'91	'90	'91	'90	'91	'90
Sales	$29,187	$30,113	$21,341	$23,638	$5,800	$7,632
Operating gain or loss*	(1,166)	619	(884)	506	(341)	71
Net earnings	(377)	710	(884)	506	(598)	71

*Net loss exclusive of changes in accounting principles or extraordinary items.

EARNINGS

FROM PAGE 1

estimated loss by about one-third to $1.5 billion.

To weather the downturn, the Big 3 will continue to rely on sales of program cars to rental fleets and on their respective cost-cutting programs. They will also stick with retail and wholesale incentives that averaged nearly $1,000 per unit in the first quarter, down slightly from last year.

Scott Merlis, securities analyst with the New York brokerage firm Morgan Stanley, says incentives must be increased to more than $1,000 a car to attract buyers.

He said increased production during the second quarter, along with lower inventories, should move the makers into "pink ink instead of red," but he is not looking for measurable improvement until the fourth quarter.

"We just may move from a depression to a recession," he said.

General Motors

The world's largest automaker suffered a dismal first quarter as carmaking operations in North America took a gigantic hit. The blow was softened by profits from overseas operations, non-automotive subsidiaries and the sale of the GM Building in New York City.

GM reported a net loss of $376.5 million, compared to net earnings of $710 million last year. The operating loss was $1.16 billion, but a change in accounting methods and the sale of the New York building reduced the net loss.

Chairman Robert C. Stempel said GM's North American automotive operations were ravaged by lower factory sales, a product mix that moved to lower-priced models and selling expenses that were higher than last year, although less than in the fourth quarter of 1990.

GM's overseas operations improved. Overseas retail sales in the quarter were up 2.9 percent, to 646,000 cars and trucks, buoyed by Europe where retail sales rose 8.6 percent to 473,000 units.

Still, worldwide factory sales to GM dealers totaled 1.65 million units, off 8.8 percent from the weak first three months of 1990.

General Motors Acceptance Corp. reported net income of $306 million, off just $30 million from last year. Electronic Data Systems Corp. earned $122 million, up from $110 million. GM Hughes Electronics Corp. earned of $114 million, down from $183 million.

Ford

Incentive programs and regulatory mandates will continue to plague Ford Motor Co., giving the company little hope that it will turn a profit in the second quarter, said David McCammon, vice president of finance and treasurer.

Ford lost $884 million in the first quarter, compared to net earnings of $506 million last year. The loss was larger than generally expected. Total sales were $21.3 billion, down $2.3 billion.

McCammon said he believes the first quarter will be the low point of the year.

He said Ford's incentives averaged $900 per unit in the first quarter compared to $950 in the fourth quarter last year and $1,000 in the first quarter last year.

McCammon said it's unlikely that Ford will report a profit in either the second quarter or for the entire year because the company "is not expecting a major increase in retail sales."

Automotive operations on both sides of the Atlantic Ocean accounted for most of the dismal first-quarter performance.

Worldwide, Ford's factory sales totaled 1.2 million cars and trucks, down 14 percent from last year, and automotive operations lost $1.2 billion. Last year, automotive operations earned $315 million.

U.S. automotive operations lost $947 million; overseas automotive operations lost $208 million.

The company's Financial Services Group subsidiary was the only unit to turn a profit. It rose 42 percent, to $271 million.

Chrysler

Chrysler Corp. reported a first-quarter net loss of $598 million, including a $341 million loss from operations.

Chrysler took a one-time $257 million charge for a change in sales incentive accounting. The net loss of $598 million compares with earnings of $71 million a year ago.

Chairman Lee Iacocca called the period "abysmal" and said the company's assembly plants operated at less than 50 percent capacity. The company held out little hope that it would return to profitability in the second quarter, although losses are expected to be less severe.

Jerome B. York, Chrysler executive vice president and chief financial officer, said Chrysler envisions "a very slow recovery" in U.S. vehicle sales this year.

Chrysler is forecasting that U.S. light-vehicle sales will climb, on a seasonally adjusted annual rate, from 12.1 million in the first quarter. The fourth quarter "could be in around 14.0 to 14.2 million with a little luck," York said. Sales were 13.9 million light vehicles in 1990 and 14.6 million in 1989.

Chrysler's retail sales in the first three months of 1991 were the lowest since the first quarter of 1983. North American unit sales tumbled 19 percent to 408,468, down from 505,646 a year ago.

At the same time, sales incentives averaged $1,100 per vehicle in the quarter and could climb to $1,200 per unit in the second quarter, a company official said.

Low-margin fleet sales accounted for about one-third of the sales volume in the first quarter, and revenue dropped 24 percent to $5.80 billion.

Chrysler's first-quarter results also included a $199 million after-tax charge to cover salaried workforce reductions and a $242 million after-tax credit because it will spend less than anticipated to reduce manufacturing capacity.

The $257 million charge for sales incentive accounting reflects Chrysler's decision to book incentive charges at the time vehicles are wholesaled to dealers rather than when units are retailed.

Chrysler Financial Corp. earned $77 million in the quarter, but that was down from the record $89 million posted in the 11990 period.

Chevrolet flip-flops, keeps buyer rebates on '90 models

INCENTIVE WATCH
CUSTOMER INCENTIVES
NEW PROGRAM

GENERAL MOTORS
Finance rates in lieu of rebates start at 4.9 percent for Buick, 5.9 percent for Chevrolet and 7.9 percent for GMC Truck. Rebates expire June 2 on 1990 models, July 7 on 1991 models.

Buick Regal (1990)	$250-1,000*
Reatta (1990)	$2,000
Chevrolet Prizm, Corsica (1990)	$500
Beretta (1990)	$1,000
Lumina (1990)	$1,500
G-van (1990)	$1,000
C/K pickup (1990)	$1,250
Blazer, Suburban, Lumina APV (1990)	$1,500
Tracker, R/V pickup (1991)	$500
Lumina APV, S pickup	$1,000
S Blazer (1991)	$1,500**
GMC (1990) G-van	$1,000-1,500
Sierra	$1,250
Jimmy, Suburban	$1,500

*Based on option package selected.
**Rebate on 1991 S Blazer is $1,000 after June 2.

SUBARU (1991, expires July 2)

Loyale	$500
Legacy L	$750
Legacy L Plus	$900-2,000
Legacy LS	$1,200-$1,400
Legacy LSi	$1,200-1,700
Legacy Spt. Sed.	$1,00
XT, XT6	$2,000

CONTINUING PROGRAMS

CHRYSLER CORP.
Rebates expire June 30 unless otherwise noted. Finance rates in lieu of rebates are 4.9 percent to 9.9 percent, depending on length of contract. Finance rates on minivans are 7.9 to 10.9 percent.

Chrysler (1991)*	$1,000-1,500
1990	$500-1,000
Dodge Monaco (1991)*	$1,500
Other 1991 cars*	$400-1,000
Monaco (1990)*	$1,500
Other 1990 cars	$700-1,000
Dodge trucks (1991)	$300-1,500
1990 trucks	$500-2,000
Eagle Premier (1991)*	$1,500
Other 1991	$700
Premier (1990)*	$1,500
Other 1990	$700,1000
Jeep Grand Wagoneer ('91)**	$1,500
Other 1991	$500-1,000
Grand Wagoneer ('90)**	$1,500
Other 1990	$1,000-2,000
Plymouth (1991)	$400-1,000
1990 models	$700-1,000
All minivans without air bag (1991)	$500
1990 models	$1,500

*Expires Sept. 30 on 1990-91 Monaco and Premier and 1991 LeBaron and Daytona.
**Expires Dec. 31 on Grand Wagoneer.

FORD MOTOR CO.
Finance rates in lieu of rebates range from 4.8 percent to 7.9 percent. All incentives expire June 4.

Ford cars (1991)	$500-1,500
Cars (1990)	$650-900
Trucks (1991)	$500-1,500
Trucks (1990)	$650-1,150
Mercury (1991)	$500-1,000
Tracer (1990)	$650

GENERAL MOTORS
All makes except Cadillac offer cut-rate financing in lieu of rebates. Unless otherwise noted, rebates expire June 2 on 1990 models and July 7 on 1991 models.

Buick (1991)†	$250-2,000
Cadillac Brougham ('91)	$1,500
Chevrolet (1991)	$300-1,000
GMC (1991)	$500-1,000
Suburban*	$1,000
Others	$500-1,000
Oldsmobile (1990-91) Regional incentives	$500-2,250
Pontiac Grand Am ('91)	$1,000

†Based on option package selected.
*Expires Sept. 25.

HYUNDAI (expires July 2)

Excel (1990-91)	$500-1,000
Sonata (1990-91)	$1,000
Scoupe (1991)	$750

TOYOTA (1991, expires Oct. 1)

Celica GT, 4Runner	$800 discount on options

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

As some manufacturers dumped consumer and dealer incentives on 1990 models and shifted their attention and cash to the 1991s, others sweetened or extended buyer rebates on some 1990 units.

The latter group included Chevrolet, which previously told its dealers that it would drop incentives on 1990 when the then-current program expired May 5.

Nissan Motor Corp. in U.S.A.'s dealer incentive program and Subaru of America's customer incentive program do not include any 1990 vehicles.

"We're in pretty good shape as far as 1990 inventory is concerned," said Richard Marshall, a Subaru spokesman. "We're putting emphasis on '91s to make way for the '92s."

Contrary to its earlier announcement, Chevrolet placed incentives on several 1990 cars and trucks.

A Chevrolet dealer, who did not want to be named, said he believes the about-face by Chevrolet is the direct result of heavy financial losses by General Motors and the National Automobile Dealers Association's call for manufacturers to offer more consumer rebates.

GM's first-quarter loss may have played a part because dealers must clear out their 1990 models before they will order 1991s.

Chevrolet placed rebates of $500 to $1,500 on 1990 Geo Prizm, Corsica, Beretta and Lumina and $1,000 to $1,500 on several trucks.

Chevrolet also enhanced customer rebates on some 1991 trucks. The payment on the Lumina APV was increased from $500 to $1,000. The program ends July 7.

Said David Hudgens, Chevrolet spokesman: "We've put the money where we think we need it."

Buick discontinued consumer rebates on all 1990 models except Regal and Reatta, which bring $250 to $2,000 through June 2. Alternate financing is also available.

Oldsmobile, which regionalized its retail incentive program in April, has extended it through June 2.

GMC Truck's new program for 1990 models pays buyers of Sierra, G-van and Suburban $500 more than the previous program. The incentives on those models now range from $1,000 to $1,500 through June 2. In lieu of rebates customers many choose special finance rates of 7.9 percent for 24, 36 or 48 months and 10.9 percent for 60 months.

Nissan's program is directed at dealers and pays $400 to $1,500 on cars and $1,000 to $1,500 on trucks. On several models, dealers earn a flat payment plus $200 to $400 per sale if they reach 100 percent of their quota.

For example, dealers who reach their sales objective on the Maxima earn $800 plus an extra $200 per car retroactive to the first car sold.

While 1990 Nissan vehicles are not eligible for payments, they do count toward meeting the quota. Nissan's program expires Aug. 2.

Subaru, in addition to dropping incentives on 1990 models, discontinued its dealer rebates and is concentrating on retail payments.

Subaru is offering buyers $500 to $2,000 on 1991 XT, XT6, Loyale and Legacy cars through July 2.

Ford Motor Co.'s first-time buyers program on 1990 and 1991 models has been amended to reduce the cash incentive and increase financing possibilities.

The cash allowance as of May 1 is $400 instead of $500, except for the Ford Probe, which remains at $1,000. Unlike the previous program, consumers can seek and use finance institutions other than Ford Motor Credit Co. if Ford Credit does not match a deal approved by another agency.

INCENTIVE WATCH
DEALER INCENTIVES
NEW PROGRAM

NISSAN (1991, expires Aug. 2)

Sentra E, XE, GXE	$400
Stanza	$1,400
Maxima	$800-1,000, quota
240SX	$600-800, quota
300ZX	$1,500
Trucks	$1,200
Trucks (California only)	$1,300-1,500, quota
Pathfinder	$1,000-1,400, quota

CONTINUING PROGRAMS

CHRYSLER CORP.
Premier and Monaco programs expire Sept. 30; others expire June 30.

Dodge Spirit (1990-91)	$500
Monaco (1991)	$1,000-2,000 based on sales, plus $1,000 for each car ordered from factory
Monaco (1990)	$1,000-2,000, based on sales
Eagle Premier (1991)	$1,000-2,000 based on sales, plus $1,000 on each car ordered from factory
Premier (1990)	$1,000-2,000 based on sales
Jeep Grand Wagoneer (1990-91)	$3,500
Plymouth Acclaim (1990-91)	$500
Caravan, Voyager (no air bag) 1991	$500

GENERAL MOTORS

Chevrolet Corvette	$2,000

HYUNDAI (1991, expires July 2)

Scoupe, Sonata	$100-300, based on sales

ISUZU (expires June 30)

1990-91 models	$800-2,000 based on sales

NISSAN (expires May 2)

Sentra (1991)	$0-700, quota
Stanza (1990-91)	$0-1,500, quota
Pickups (1990-91)	$400-1,200, quota
Pathfinder (1991)	$1,500, quota
Pathfinder (1990)	$1,500

PEUGEOT (1990, no expiration date) $2,000

SUZUKI (expires June 3)

Swift (1991)	$400-500
Swift (1990)	$400-1,000
Sidekick (1991)	$500-1,000
Sidekick (1990)	$1,000-1,500
Samurai (1990)	$500

TOYOTA (expires June 3)
All rebates are based on performance against quota.

Corolla (1989-91)	$200-1,000
Camry (1989-91)	$200-1,000
Celica (1989-91)	$300-1,200
4x2 pickups (1989-91)	$300-1,100
4x4 pickups (1989-91)	$200-1,000

VOLKSWAGEN (1990, no expiration date)

Cars	$500-1,500

PENSKE

FROM PAGE 1

Chevrolet after the original deal, had only one or two profitable months in three years. "That can only go on so long," he said.

Penske hasn't had much practice at losing. The expensive New York failure — General Motors and Penske together put up $9 million just to renovate the facility — is a rare setback for the former racing great.

But at least Penske can retreat to his other businesses, including Detroit Diesel Corp., Leaseway Transportation, his racing team and other dealerships. The dealerships include Longo Toyota in El Monte, Calif., the nation's No. 1 Toyota retailer.

But GM can't walk away from Manhattan, and Penske's departure leaves the automaker without a Cadillac, Buick or Chevrolet-Geo franchise in the borough.

"There are certain locations in the country that are important to have," and Manhattan is one of them, said GM spokesman Harold Jackson. He said GM is looking for another dealer to move into the same location.

Under the deal in which Penske took over the Cadillac franchise from Victor Potamkin in 1987, GM agreed to lease property from Potamkin for 25 years. The property, which was across the street from the Potamkin Cadillac dealership, was then sublet to Penske on a per-car-sold basis.

GM has kept a presence in nearby Long Island City in Queens by building a Cadillac-Pontiac-Chevrolet complex that is leased to three dealers. No dealer in the area was willing or able to put up the money on his own.

Eli Bloom, president of Bloom Pontiac, one of the three GM stores, said manufacturers will have to resort to that kind of arrangement more and more often if they want to have "shelf space" in expensive markets like New York City.

Bloom said that before the recession began late last year, many urban dealers were receiving hard-to-refuse offers to sell their real estate for non-automotive development. The recession interrupted that trend, but when the economy starts to recover, dealers may be "more willing to listen," he said.

Ford Motor Co. subsidizes its Manhattan outlet. Mercedes-Benz of North America Inc. also has a factory store in Manhattan and another in Hollywood, Calif.

> The best thing to do is close it down, clean it up and get out.
>
> **Roger Penske**

BMW of North America Inc. recently decided to open a factory store in upscale Westchester County, N.Y., rather than go without a dealer in such a strong luxury-import market. BMW has another factory store in the San Francisco market.

But if a heavyweight like Penske, at the head of a $2 billion corporation, can't make a go of it in New York, then one has to wonder who can.

One candidate, ironically, is the 80-year-old Potamkin, one of the nation's original megadealers, who gave up the Cadillac franchise to Penske and still owns the property.

Penske's dealership operated literally in the shadow of a five-story POTAMKIN sign across the street on 11th Avenue, where Potamkin has his Auto Center Leasing store.

Potamkin said last week that he is interested in moving back into the facility, which was once the top-volume Cadillac outlet in the country and was selling about 400 Cadillacs a month when Penske took over.

"I don't have any mortgages, and that's an advantage," Potamkin said.

Penske officials tried hard not to criticize Potamkin when Penske took over the store, but there was talk about how Penske's polished organization knew how to treat upscale Cadillac customers, and maybe a high-volume, high-pressure, low-price dealer like Potamkin didn't.

But Potamkin may have the last laugh in what could be a victory of sorts for the School of Hard Knocks vs. the Ivy League.

Potamkin said he was "shocked" that Penske moved out without waiting for a new owner to move in.

"Some people can function in New York, and some can't, just like some people could function in Tuscaloosa, Ala., and others couldn't," Potamkin said last week.

"People have one or two good years, and they go out and build monuments (for dealerships). They overspend, and they overbuild. They have one bad year, and they're in trouble," Potamkin said.

"I'd rather cool it, and if I get a little ahead, maybe I go a little stronger on advertising. But I don't spend an extra 5 or 10 million bucks and build a beautiful fancy building. If the factory wants to do that, let *them* do it."

But Potamkin has a huge advantage in owning the property. And, like Penske, Potamkin has a multi-billion-dollar corporation backing him up that is capable of supporting an unprofitable dealership.

Penske sounded fed up with the Manhattan experience. In addition to the poor economy, Penske ran into a nightmare of red tape and the difficult trade unions for which New York City is notorious.

For instance, Penske complained that it took two years to get official permission to move into the renovated facility.

Walter Czarnecki, Penske Corp. executive vice president, said that until the dealership could move, Penske had to operate out of Potamkin's old showroom, which was next to Potamkin's Mitsubishi showroom. Penske finally was able to move across the street, only to find that the plumbing had to be ripped out of the renovated building.

"The best thing for us to do is close it down and clean it up and get out, and leave it where somebody else can move in and pick it up," Penske said.

ALLIANCE

FROM PAGE 2

later stage. A new production line would be installed at the Born plant, increasing capacity from about 120,000 units to 200,000, with Mitsubishi and Volvo splitting the output.

No timetable is specified in the letter of intent, but production of a new Volvo-Mitsubishi model is expected to start in about 1995 as Volvo Car BV's 400 subcompact series, now produced at Born, is being phased out.

The restructured Volvo Car BV will build a jointly developed model in the lower-medium range using common components, but with separate body styles. Volvo Car officials in Sweden said it is too early to describe the percentage of components coming from each company.

In Tokyo, Tate said it was "too early to say" whether Renault, which now supplies engines to Volvo, would have a supplier's role in the new car.

The letter of intent calls for the government, Mitsubishi and Volvo to contribute jointly to plant and product investments. No figures were disclosed, but speculation has centered on a combined investment of $1.3 billion.

The parties said they expect to conclude an agreement within the next few months.

Volvo Car BV produced just over 121,300 cars last year, down from 134,600 in 1989. Production last year consisted mostly of the 400 series. Output of the 300 series lower-medium model ended last March.

Volvo and Mitsubishi have been negotiating for more than a year on a joint car production agreement in the Netherlands.

Volvo officials said last week that Renault does not oppose the link with Mitsubishi. When the two companies swapped stakes last year to form a strategic alliance, they gave each other authority to veto agreements made with third parties.

"Renault understands our motives and accepts our agreement with Mitsubishi," said a Volvo spokesman. Renault would take part in development of a new car, he said.

ZR-1

FROM PAGE 3

prices. The feeling is that smaller dealers, perhaps allocated one or two cars, do not have the customer base or specialized service capability to support a ZR-1 supply.

"Some dealers who really aren't in the Corvette business are getting these cars," said Gary Konner of Malcolm Konner Chevrolet in Paramus, N.J.

"We have a separate showroom for the cars and five technicians who work on nothing but Corvettes," Konner said. "Perhaps only Chevy's top 200 Corvette producers should get the cars, or the division could tighten the standards for being a ZR-1 dealer. Otherwise, you're going to get small guys in a panic after 30 days that run a distress ad and blow the car out at invoice."

Konner said he has taken his full allocation of ZR-1 models and has even purchased some from other Chevrolet dealers.

Like Perkins, others recognized that the buying frenzy for ZR-1 models might be a short-term phenomenon. Rick Cole, president of Rick Cole Auctions in North Hollywood, Calif., told *Automotive News* in September 1989 that the ZR-1 (particularly those without low serial numbers) probably wouldn't make collectible status.

"It's just another piece of Detroit iron," he said. "I don't see a major rise in the value of the ZR-1."

Adding to dealer problems was a three-month hold put on sales of the ZR-1 from early December to mid-March. The hold was prompted by seven initially unexplainable engine seizures in the shipping yard of the Bowling Green, Ky., assembly plant.

At the start of the hold period, Chevrolet advised dealers not to take potential customers for demonstration rides. A missive from the division warned of the chance of some undisclosed problem.

Many dealers insist that the situation added frost to spring sales of the ZR-1.

PRODUCTION

U.S. CAR	Week Ended May 4, 1991	Week Ended Apr. 27, 1991	April Est.	Jan. 1 to May 4, 1991	Jan. 1 to May 5, 1990
Horizon	0	0	0	0	4,327
Sundance	0	0	1,795	12,085	25,210
Acclaim	2,500	2,463	3,463	26,512	27,697
Total Plymouth	**2,500**	**2,463**	**5,258**	**38,597**	**57,234**
LeBaron A	0	0	0	0	7,945
LeBaron J	1,250	1,269	6,726	15,009	13,132
N. Yorker C-Class	150	0	409	2,618	9,432
Fifth Avenue	1,000	0	2,301	9,089	9,667
Imperial	150	0	366	2,275	5,910
Total Chrysler	**2,550**	**1,269**	**9,802**	**28,991**	**46,086**
Omni	0	0	0	0	4,078
Daytona	300	582	2,365	5,236	9,799
Shadow	0	0	2,063	14,138	28,582
Dynasty	3,500	0	4,206	36,706	37,530
Spirit	2,350	2,269	3,209	24,100	29,234
Total Dodge	**6,150**	**2,851**	**15,393**	**83,710**	**109,223**
CHRYSLER CORP.	**11,200**	**6,583**	**30,453**	**151,298**	**212,543**
Escort	5,716	5,417	18,035	65,327	66,141
Mustang	0	3,396	10,408	21,866	48,280
Tempo	3,230	3,121	9,858	36,635	46,544
Taurus	8,478	7,785	31,633	105,812	133,637
Thunderbird	2,170	2,161	8,866	25,681	37,694
Total Ford Div.	**19,594**	**21,880**	**78,801**	**255,321**	**332,296**
Topaz	1,070	1,235	4,153	15,649	18,016
Cougar	2,150	1,945	7,242	19,711	25,219
Sable	2,532	2,665	10,541	34,385	40,409
Total Mercury	**5,752**	**5,845**	**21,936**	**69,745**	**83,644**
Continental	1,173	996	4,810	19,950	19,582
Mark VII	208	179	848	3,491	9,809
Town Car	2,775	2,314	11,302	46,924	59,034
Total Lincoln	**4,156**	**3,489**	**16,960**	**70,365**	**88,425**
Total L-M Div.	**9,908**	**9,334**	**38,896**	**140,110**	**172,069**
FORD MOTOR CO.	**29,502**	**31,214**	**117,697**	**395,431**	**504,365**
Skylark/Somerset	0	0	5,833	34,929	30,031
Century	1,963	1,853	7,995	26,307	22,500
Riviera	286	280	1,193	3,629	9,181
Electra/Park Ave.	3,143	2,165	3,422	31,645	12,513
LeSabre (fwd)	265	213	469	33,697	56,699
Roadmaster Wagon**	343	368	2,875	8,718	2,510
Reatta	98	98	411	1,073	3,043
Total Buick	**6,098**	**4,977**	**22,199**	**140,157**	**136,477**
Eldorado	356	362	1,513	5,647	8,331
Seville	906	918	3,828	12,114	13,873
Brougham (rwd)	438	367	1,773	6,813	13,065
DeVille (fwd)	3,651	3,498	11,679	46,411	57,580
Allante	64	53	258	1,075	1,285
Total Cadillac	**5,415**	**5,198**	**19,052**	**72,818**	**94,134**
Cavalier	5,319	5,482	24,009	95,021	107,452
Camaro	1,137	1,197	3,306	13,685	19,369
Corsica/Beretta	7,268	6,658	21,440	74,093	97,372
Caprice	3,374	3,029	11,812	42,851	71,445
Corvette	483	467	1,820	7,640	8,204
Total Chevrolet	**17,581**	**16,833**	**65,293**	**240,558**	**303,842**
Calais	0	0	6,463	34,616	32,111
Cutlass Ciera	2,323	2,548	10,357	24,508	26,794
Cutlass Supreme	2,658	2,554	10,365	35,633	28,961
Toronado	153	150	642	2,467	7,506
88 (fwd)	260	220	474	19,598	32,036
Custom Cruiser Wag.***	168	123	805	4,027	2,295
98	1,549	1,372	5,437	26,532	19,590
Total Oldsmobile	**7,111**	**6,967**	**34,543**	**147,381**	**149,295**
Sunbird	2,551	2,398	10,062	42,450	48,990
Grand Am	6,360	6,292	22,764	77,619	64,781
Firebird	628	585	1,787	4,574	11,624
Grand Prix	2,145	2,036	7,409	32,121	35,276
Pontiac 6000	898	646	2,903	11,004	19,492
Bonneville	0	12	12	20,952	26,760
Total Pontiac	**12,582**	**11,969**	**44,938**	**188,720**	**206,923**
Total Saturn	**1,385**	**1,385**	**6,094**	**20,302**	**0**
GENERAL MOTORS	**50,172**	**47,329**	**192,120**	**809,936**	**890,671**
DIAMOND-STAR	**3,174**	**3,131**	**13,836**	**54,639**	**49,294**
Civic	1,560	1,650	8,515	31,980	42,303
Accord	7,460	7,576	33,173	124,081	112,383
HONDA	**9,020**	**9,226**	**41,688**	**156,061**	**154,686**
MAZDA†	**3,000**	**3,034**	**12,718**	**51,915**	**63,808**
NISSAN	**2,612**	**2,677**	**11,267**	**49,025**	**37,725**
Corolla	2,100	2,114	8,962	36,503	37,388
Geo Prizm/Nova	2,000	1,979	8,901	35,689	34,908
NUMMI	**4,100**	**4,093**	**17,863**	**72,192**	**72,296**
SUBARU-ISUZU	**1,184**	**1,197**	**5,053**	**19,865**	**9,509**
TOYOTA	**4,372**	**4,424**	**19,383**	**77,742**	**77,832**
TOTAL BIG 3	**90,874**	**85,126**	**340,270**	**1,356,665**	**1,607,579**
TOTAL TRANSPLANT	**27,462**	**27,782**	**121,807**	**481,439**	**465,150**
TOTAL CARS, U.S.	**118,336**	**112,908**	**462,076**	**1,838,104**	**2,072,729**
TOTAL CARS, CANADA	**26,485**	**22,218**	**82,766**	**357,907**	**325,172**
U.S., CANADA CARS	**144,821**	**135,126**	**544,842**	**2,196,011**	**2,397,901**
U.S., CANADA CARS AND TRUCKS	**243,430**	**231,730**	**857,641**	**3,509,473**	**4,085,713**

Monthly estimates may contain error of one or two units due to rounding.
*Estimate †Total includes MX-6, 626, and Ford Probe
**1990 totals reflect the LeSabre (rwd). ***1990 totals reflect Olds 88 (rwd)

CANADIAN CAR	Week Ended May 4, 1991	Week Ended Apr. 27, 1991	April Est.	Jan. 1 to May 4, 1991	Jan. 1 to May 5, 1990
Monaco	0	414	414	1,104	3,593
Premier	0	791	791	2,404	1,252
CHRYSLER CORP.	**0**	**1,205**	**1,205**	**3,508**	**4,845**
Tempo	3,293	0	4,995	36,534	43,249
Topaz	1,399	0	1,957	10,480	15,318
Crown Victoria	1,805	1,394	5,767	31,290	43,341
Grand Marquis	3,613	2,784	11,180	26,711	39,812
FORD MOTOR CO.	**10,110**	**4,178**	**23,898**	**105,015**	**141,720**
Celebrity	0	0	0	0	8,683
Cutlass Ciera	1,780	1,792	4,592	21,442	29,264
Lumina	5,820	5,162	17,942	66,679	77,244
Regal	1,980	3,005	7,651	36,898	56,674
GENERAL MOTORS	**9,580**	**9,959**	**33,017**	**127,851**	**110,448**
CAMI	**2,450**	**2,458**	**8,958**	**44,428**	**0**
HONDA	**2,200**	**2,283**	**8,013**	**37,361**	**37,732**
HYUNDAI*	**525**	**530**	**2,054**	**12,841**	**6,155**
TOYOTA	**1,440**	**1,445**	**5,072**	**23,845**	**21,105**
VOLVO	**180**	**180**	**648**	**3,058**	**3,167**
TOTAL CARS, CANADA	**26,485**	**22,218**	**82,766**	**357,907**	**325,172**

U.S. TRUCK					
Caravan	1,550	2,450	7,980	35,399	40,101
Dakota	2,000	2,069	7,201	24,293	25,747
Caravan C/V	50	109	370	1,440	2,579
Ram pickups	2,050	2,014	7,157	24,237	37,615
Total Dodge	**5,650**	**6,642**	**22,707**	**85,369**	**106,042**
Cherokee	4,200	4,186	10,625	37,724	56,768
Comanche	50	139	301	1,825	2,620
Grand Wagoneer	350	65	205	415	1,455
Wagoneer/Briarwood	50	109	252	1,065	1,289
Total Jeep	**4,650**	**4,499**	**11,383**	**41,029**	**62,132**
Voyager	1,550	2,006	6,988	28,930	38,465
Town & Country	50	93	282	1,112	1,302
Total C-P Div.	**1,600**	**2,099**	**7,270**	**30,042**	**39,767**
CHRYSLER CORP.	**11,900**	**13,240**	**41,360**	**156,440**	**207,941**
Aerostar	4,057	4,006	14,532	47,520	67,929
Bronco	353	643	888	3,921	19,101
Bronco II/Explorer	5,519	5,501	21,038	94,039	42,105
Navajo	303	141	584	4,794	0
Econoline	4,140	3,850	10,193	41,991	66,963
Mediums/Heavies	1,037	0	2,630	12,325	18,155
Light trucks	8,182	8,847	20,949	88,347	158,288
Ranger	6,240	6,235	19,753	82,189	106,506
Total Ford Div.	**29,831**	**29,223**	**90,567**	**375,126**	**478,146**
FORD MOTOR CO.	**29,831**	**29,223**	**90,567**	**375,126**	**478,146**
Astro	2,458	1,987	8,180	31,424	39,515
Blazer	168	193	296	2,445	5,886
Lumina APV	1,258	1,113	3,055	11,413	34,750
Mediums/Heavies	243	153	597	872	2,968
P-Model	0	0	824	5,069	8,368
Pickups	6,028	5,313	18,037	79,808	123,542
S-10	6,499	6,281	21,995	83,039	81,459
S-10 Blazer	1,494	1,630	5,804	12,025	41,335
Sportsvan/Van	970	938	3,925	14,086	22,578
Suburban	589	578	2,575	8,422	23,192
Total Chevrolet	**19,707**	**18,186**	**65,288**	**248,603**	**383,593**
Jimmy	67	19	67	837	1,935
Mediums/Heavies	492	468	1,558	2,075	4,597
P-Model	0	0	263	1,124	1,069
Pickups	2,474	3,300	8,351	39,644	43,014
S-15/Sonoma	1,151	1,491	4,550	19,734	20,103
S-15 Jimmy	580	622	1,947	4,262	12,942
Safari	1,030	1,186	3,634	12,777	12,210
Suburban	588	613	2,009	8,011	10,147
Vandura/Rally Vans	645	721	2,096	6,381	8,213
Total GMC	**7,027**	**8,420**	**24,476**	**94,845**	**114,230**
Silhouette	650	684	1,601	5,749	10,826
Bravada	134	122	796	7,107	0
Total Oldsmobile	**784**	**806**	**2,397**	**12,856**	**10,826**
Pontiac Trans Sport	**815**	**906**	**2,254**	**7,169**	**19,788**
GENERAL MOTORS	**28,333**	**28,318**	**94,415**	**363,473**	**528,437**
NAVISTAR	**1,645**	**1,407**	**5,278**	**26,590**	**24,982**
NISSAN	**2,690**	**2,740**	**9,616**	**47,703**	**53,925**
SUBARU-ISUZU	**954**	**991**	**3,042**	**17,505**	**9,541**
AM GENERAL	**400**	**400**	**1,440**	**7,250**	**8,190**
MISCELLANEOUS	**2,650**	**2,650**	**9,540**	**48,050**	**54,600**
TOTAL TRUCKS, U.S.	**78,403**	**78,969**	**255,258**	**1,042,137**	**1,365,682**

CANADIAN TRUCK					
Caravan	3,516	3,006	11,399	47,963	57,791
Caravan C/V	228	224	1,103	10,665	4,591
Ram Wagon	705	609	1,720	7,199	8,326
Ram Van	1,215	981	2,870	12,649	20,768
Total Dodge	**5,664**	**4,820**	**17,092**	**78,476**	**91,476**
Voyager	2,400	2,542	9,108	36,129	47,589
Total Plymouth	**2,400**	**2,542**	**9,108**	**36,129**	**47,589**
Wrangler	1,500	0	4,128	17,727	18,604
Total Jeep	**1,500**	**0**	**4,128**	**17,727**	**18,604**
CHRYSLER CORP.	**9,564**	**7,362**	**30,327**	**132,332**	**157,939**
FORD MTR. (L. trks.)	**2,932**	**2,862**	**4,492**	**29,418**	**50,519**
Light trucks	3,188	2,955	7,950	45,703	62,819
Vans	1,576	1,507	5,618	16,270	16,386
Total Chevrolet	**4,764**	**4,462**	**13,568**	**61,973**	**79,205**
Light trucks	1,062	1,162	2,944	17,973	23,624
Vans	569	461	1,815	7,219	7,094
Total GMC	**1,631**	**1,623**	**4,760**	**25,192**	**30,718**
GENERAL MOTORS	**6,395**	**6,085**	**18,327**	**87,165**	**109,923**
CAMI	**1,150**	**1,162**	**3,966**	**19,709**	**0**
NAVISTAR	**165**	**164**	**427**	**2,701**	**3,749**
TOTAL TRKS., CANADA	**20,206**	**17,635**	**57,540**	**271,325**	**322,130**
U.S., CANADA TRKS.	**98,609**	**96,604**	**312,799**	**1,313,462**	**1,687,812**

Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.

Car output is highest in 2 months

By Karen Detkowski
AUTOMOTIVE NEWS STATISTICIAN

Last week's car production schedule in the United States was the highest since the week ended ended Feb. 23, and the Canadian estimate was highest since the week ended March 23.

Scheduled Saturday overtime last week at three U.S. and one Canadian car assembly plants helped boost the week's output.

U.S. car production was scheduled at 118,336 units, 4.81 percent above the prior week but 11.20 percent below the year-ago week.

So far this year, car assembly in the United States is 11.32 percent behind 1990.

General Motors slated Saturday overtime last week at the Lansing, Mich. (B); Linden, N.J., and Arlington, Texas, car plants.

Arlington will remain on Saturday overtime. The plant produces the Buick Roadmaster, Chevrolet Caprice and Cadillac Brougham.

GM's Saturn assembly plant in Spring Hill, Tenn., began operating a second shift last Monday, boosting production to about 700 units per day. The plant now works a two-shift, four-day week.

GM has announced that its Lordstown, Ohio, assembly plant will be the sole producer of second-generation J-cars, the Chevrolet Cavalier and Pontiac Sunbird. The cars will be 1994 models.

Car production in Canada was slated at 26,485 units last week, 19.21 percent above the previous week and 3.06 percent above the year-ago week. Year-to-date car production in Canada is 10.07 percent above 1990.

Ford Motor Co. scheduled Saturday overtime at the Oakville, Ontario, car plant last week.

U.S. truckmakers reached the one-million mark last Monday, one month behind 1990.

Chrysler Corp., built its first Grand Wagoneers of the year in the week ended April 27. Sixty-five were built at the Toledo, Ohio, plant that week.

Canadian truckmakers also scheduled their strongest week since March 23. Last week's output of 20,206 was 14.58 percent above the previous week.

GM scheduled Saturday overtime at its Scarborough, Ontario, truck plant last week.

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
FORD		
Dearborn, Mich.	**5/6**	
Ford Mustang		3,500
Kansas City, Mo.	**5/6**	
Ford Tempo		2,600
Mercury Topaz		1,370
Norfolk, Va.	**5/6**	
Ford F series		3,200
CHRYSLER		
Bramalea, Ontario	**5/6**	
Dodge Monaco		400
Eagle Premier		875
Newark, Del.	**5/6**	
Dodge Spirit		2,260
Plymouth Acclaim		2,590
Toledo, Ohio	**5/6**	
Jeep Cherokee		3,680
Jeep Comanche		140
Jeep Gr. Wagoneer		330
Jeep Briarwood		100
Total U.S. car		**12,320**
Total Canada car		**1,275**
Total U.S. truck		**7,450**
Total units lost week of 5/6		**21,045**

Source: Automotive News Data Center

NOTE

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